

Quarterly Economic Report

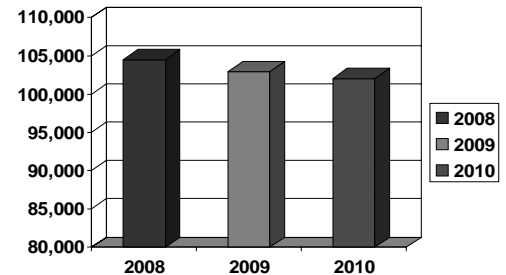
Rochester Area Economic Development, Inc. (RAEDI)

First Quarter, 2010

Total Employment

Total employment in the last 12 months has decreased by 941 jobs. For the first quarter, employment decreased by nine-tenths of one percent from fourth quarter 2009. The loss of 974 jobs brought total employment to 102,008 from the December level of 103,182. Totals for January, February and March were 102,173, 101,770, and 102,008 respectively.

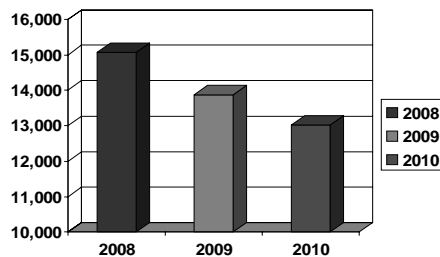
**Total Employment
First Quarter Comparison**



Goods Producing

Overall, the goods producing sector declined with a job loss of 852 or 6.1 percent in the past 12 months.

**Goods Producing Employment
First Quarter Comparison**



A slowdown for first quarter in the goods producing area totaled a loss of 549 jobs or 4 percent.

Both construction and manufacturing posted decreases for the quarter of 529 and 20 respectively. Employment totals in goods producing for January, February and March were 13,037, 12,893 and 13,015.

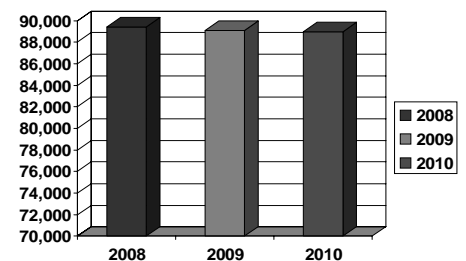
Service Providing

In the last 12 months, service providing payroll levels have decreased by 89 jobs for a decline of one-tenth of one percent.

Education and health services reported the largest gain of 230 jobs while retail trade reported a loss of 465 jobs in the last year.

For the quarter, the service providing sector reported a seasonal loss of 625 jobs or seven-tenths of one percent from fourth quarter 2009.

**Service Providing Employment
First Quarter Comparison**

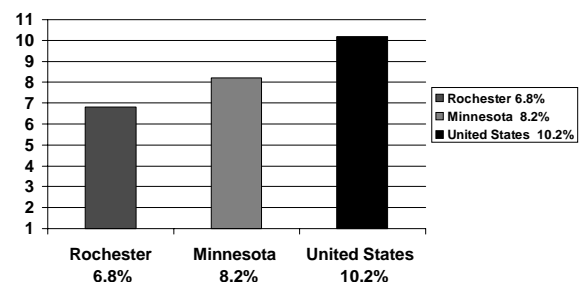


Unemployment Rate

The Rochester unemployment rate increased by seven-tenths of one percent since December ending the first quarter rate in March at 6.8 percent. The rates for January and February were 6.7 and 6.6 percent respectively. The Rochester average remains below the state and U.S. averages of 8.2 and 10.2 percent respectively. During the past 12 months, the average unemployment rate for Rochester was 6.4 percent.

The March labor force figure of 107,753 represents an increase of 1.7 percent from the December figure of 105,958.

**First Quarter Unemployment 2010
Comparison Percentage**



Source: Minnesota Department of Employment & Economic Development

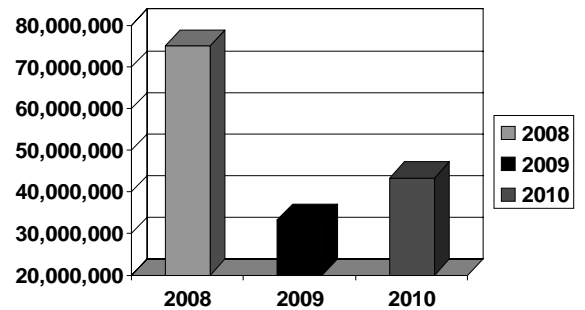
First Quarter

Building Activity

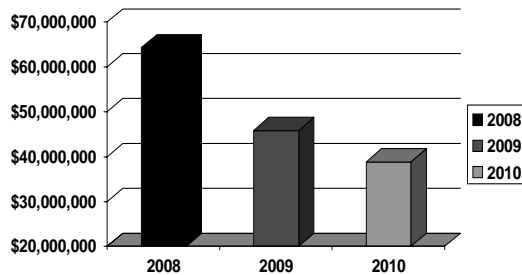
Commercial and residential building permits issued for first quarter 2010 totaled \$43,351,435. This represents an increase of 30.2 percent from first quarter 2009 (\$33,294,139) and a decrease of 42.2 percent from 2008 (\$75,046,567). Permits over \$1 million for first quarter 2010 included Olmsted Medical addition, IBM fit-up building - mezzanine manufacturing area, Cascade Meadow Wetlands Science Center, HVAC infrastructure upgrade, and Mayo Clinic Eisenberg building alterations.

Source: Rochester Building Safety Department

First Quarter Annual Commercial & Residential Valuation Comparison



First Quarter MLS Sales



First Quarter Home Sales

First quarter sales of single family homes in Rochester were \$38,790,812. This represents a decrease of 15.5 percent (\$45,901,492) over first quarter 2009 and a 39.7 percent (\$64,321,004) decrease over first quarter 2008.

The average home in Rochester sold for \$166,484 during the first quarter of 2010 and the median sale price was \$145,000. There were 233 units sold during the quarter and the average time on the market was 135 days.

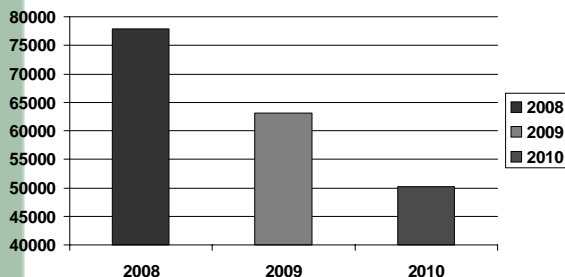
Source: SE Minnesota Association of Realtors

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This report is published quarterly and is available through our website at raedi.com or by calling the Rochester Area Economic Development, Inc. office at (507) 288-0208.

Airport Passenger Traffic First Quarter Comparison



Quarterly Airport Traffic

The Rochester Airport serviced 50,217 passengers during the first quarter of 2010. This represents decreases of 20 percent over first quarter 2009 (63,143 passengers) and 35.6 percent over first quarter 2008 (77,924 passengers). Passenger totals for January, February and March were 17,988, 16,181, and 16,048 respectively. Passenger totals were affected by Allegiant Air not providing flights out of the Rochester Airport since February 15, 2010.

Air cargo shipments were up 3.2 percent from first quarter 2009.

Source: Airport Manager

First Quarter